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STANDARD FUEL CO.
LIMITED
AND ITS SUBSIDIARY COMPANIES

FORTIETH ANNUAL REPORT

OF

THE BOARD OF DIRECTORS

FOR THE YEAR ENDED APRIL 30, 1968

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FORTIETH ANNUAL REPORT
OF THE
BOARD OF DIRECTORS
OF
STANDARD FUEL CO. LIMITED

FOR THE YEAR ENDED
APRIL 30, 1968

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

IMPORTERS OF AND DEALERS IN

Fuel Oil

Bituminous Coal — Anthracite Coal

Industrial and Domestic

WHOLESALE AND RETAIL

SUBSIDIARY COMPANIES

The Milnes Coal Company, Limited
Milnes Fuel Oil Limited
Standard Fuels Limited
Consolidated Coal & Dock Co. Limited

STANDARD FUEL CO. LIMITED

Incorporated under the Companies Act, Canada

BOARD OF DIRECTORS

Mr. J. Herbert Milnes	Toronto, Ont.
Mr. John H. Milnes	Toronto, Ont.
Mrs. R. S. Williams	Toronto, Ont.
Mr. J. L. Stewart, Q.C.	Toronto, Ont.
Mr. D. B. Horsley	Toronto, Ont.

OFFICERS

President and Managing-Director	Mr. J. Herbert Milnes
Executive Vice-President	Mr. John H. Milnes
Secretary-Treasurer	Mr. C. W. Swash

Assistant General Manager, Fuel Oil Division - Mr. James L. Morrison

HEAD OFFICE

1815 Yonge Street, Toronto 7, Ontario

TRANSFER AGENT

National Trust Company, Limited, Toronto, Ont. and Montreal, P.Q.

REGISTRAR

Eastern & Chartered Trust Company, Toronto, Ont. and Montreal, P.Q.

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

FORTIETH ANNUAL REPORT OF
THE BOARD OF DIRECTORS

To be submitted at the Annual Meeting of Shareholders to be held in Toronto on Thursday, the 29th day of August, 1968, at the hour of 12 o'clock noon (Eastern Daylight Saving Time.)

To the Shareholders of:

STANDARD FUEL CO. LIMITED

Your Directors submit herewith the consolidated balance sheet as at April 30, 1968, together with consolidated statement of profit and loss, and consolidated statement of retained earnings for the year ended that date.

Net Profit for the year amounted to $128,340 as compared to earnings last year of $129,940.

During the 1967-1968 year a further 500 shares of your Company's 4½% Cumulative Redeemable Preferred stock with a par value of $25,000 were purchased and cancelled. This transaction added $3,623 to our Contributed Surplus.

The earnings for the coming year could be affected more by higher costs, than during the year just completed.

After providing for said purchase of Preferred Shares and Capital Expenditures for fuel oil delivery equipment, the net Working Capital of your Company shows a satisfactory increase over last year.

Submitted on behalf of the Board.

J. HERBERT MILNES,
President.

Toronto, Canada, July 26, 1968.

STANDARD FUEL

and its Subsidiary

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS		
Cash on Hand and in Banks, including Short Term Investments	$1,274,264	
Accounts Receivable, less allowance for doubtful accounts..	375,247	
Inventories of coal, coke and fuel oil at lower of cost or market	189,106	
Prepaid Expenses	14,282	
Total Current Assets		$1,852,899
SPECIAL REFUNDABLE TAX		5,707
MORTGAGE RECEIVABLE		2,000
PROPERTIES		
Land, Buildings and Equipment appraised by Dominion Appraisal Company, Limited, by appraisals dated June 15, 1928 and December 21, 1928 on the basis of depreciated values on such respective dates plus subsequent additions at cost.		
Land	$ 169,199	
Buildings & Equipment $1,276,351		
Less: Accumulated Depreciation 970,256	306,095	
Total Properties		475,294
GOODWILL		1
TOTAL ASSETS		$2,335,901

Approved on behalf of the Board

J. HERBERT MILNES
JOHN H. MILNES } *Directors.*

Auditors'

To the Shareholders of
STANDARD FUEL CO. LIMITED

We have examined the Consolidated Balance Sheet of Standard Fuel Co. Limited and
Loss, Retained Earnings and Contributed Surplus for the year then ended. Our examinatio
other supporting evidence as we considered necessary in the circumstances.

In our opinion, these Consolidated Financial Statements present fairly the financia
then ended, in accordance with generally accepted accounting principles applied on a basi

Toronto, Canada, July 11, 1968.

CO. LIMITED

Companies

— April 30, 1968

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES			
Accounts Payable and Accrued Charges		$ 98,345	
Uncashed Cheques		8,806	
Corporation Taxes Payable		46,959	
Total Current Liabilities			$ 154,110
SHAREHOLDERS' EQUITY			
CAPITAL STOCK			
Authorized:			
28,186 4½% Cumulative, Redeemable Preferred Shares, Par Value of $50.00 each			
50,000 Common Shares without nominal or Par Value			
Issued and Fully Paid—			
8,186 Preferred Shares (500 Shares Cancelled During Year)		$ 409,300	
50,000 Common Shares		200,000	
Total Capital Stock		$ 609,300	
CONTRIBUTED SURPLUS – Statement 2			
Arising from Redemption of Preferred Shares	$ 97,555		
RESERVE FOR CONTINGENCIES	100,000		
RETAINED EARNINGS—Statement 2	1,374,936	1,572,491	
TOTAL SHAREHOLDERS' EQUITY			2,181,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			$2,335,901

This is the Balance Sheet referred to in our Report dated July 11, 1968.

NEWTON, KENNING & COMPANY
Chartered Accountants

Report

ts Subsidiary companies as at April 30, 1968 and the Consolidated Statements of Profit and ncluded a general review of the accounting procedure and such tests of accounting records and

osition of the companies as at April 30, 1968 and the results of their operations for the year onsistent with that of the preceding year.

NEWTON, KENNING & COMPANY
Chartered Accountants

STATEMENT 2

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended April 30, 1968

BALANCE, April 30, 1967	$1,265,557
Add: Net Profit for the Year—Statement 3	128,340
	$1,393,897
Deduct: Dividends on Preferred Shares	18,961
BALANCE, April 30, 1968	$1,374,936

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

BALANCE, April 30, 1967	$ 93,932
Additional surplus arising from the purchase for cancellation of 500 preferred shares during the year	3,623
BALANCE, April 30, 1968	$ 97,555

STATEMENT 3

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended April 30, 1968

TOTAL SALES		$2,248,305
Less: Cost of Sales and Operating Expenses		1,968,550
NET PROFIT FROM OPERATIONS BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAXES		$ 279,755
Add: Income from Investments		52,629
NET PROFIT BEFORE DIRECTORS' REMUNERATION, DEPRECIATION AND INCOME TAXES		$ 332,384
Less: Directors' Remuneration	$ 46,408	
Depreciation of Buildings & Equipment	42,345	88,753
NET PROFIT BEFORE INCOME TAXES		$ 243,631
Income Taxes		115,291
NET PROFIT FOR THE YEAR		$ 128,340